



European Training Foundation

UKRAINE

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2021**

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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

On 24 August 2021, Ukraine marked its 30-year anniversary of statehood. Over these past three decades, the country's progress has been marked by instability and political turbulence, including the war in eastern Ukraine and the annexation of Crimea. The EU-Ukraine Association Agreement signed in 2014 has been the main driving force shaping Ukraine's reform agenda.

The Ukrainian economy is vulnerable to economic shocks and its GDP fell by 4% in 2020 due to the decline in foreign demand combined with the impact of repeated COVID-19 lockdowns on domestic demand. Remittances dropped in 2020, reflecting travel restrictions and labour market shocks in host countries. The overall unemployment rate increased from 8.2% in 2019 to 9.5% in 2020. The COVID-19 crisis has severely affected the labour market, hurting young people more than other age groups. Improved macro-financial management helped Ukraine to maintain macroeconomic stability in 2021. According to the EBRD's latest Regional Economic Prospects report from June 2021, the Ukrainian economy is set to return to growth in 2021.

Restrictions adopted in response to the COVID-19 outbreak have been gradually lifted and Ukraine started its COVID-19 vaccination campaign in February 2021. *By the end of 2021 it is expected that up to 20% of the population will be vaccinated.*

The 2020-2027 National VET Action Plan aiming to implement the 'Modern Vocational Education' concept is implemented by the Ministry of Education and Science. The Action Plan sets out to change the governance and financing of the VET system by transferring responsibilities for planning, financing and budgeting to the regions and VET institutions; to redesign the content and quality management of VET through a new and simplified concept for the development of VET standards; and to introduce an independent assessment system and a comprehensive training programme.

The Ministry of Education and Science (MoES) is undergoing a transition as part of the overall reform process in Ukraine. The decentralisation process and the establishment of the National Agency for Qualifications (NQA) requires the MoES to coordinate contributions from a wider range of stakeholders.

In 2021 the Council for VET Development was established, a consultative body at national level – in addition to existing Regional VET Councils attached to the President. The proper institutionalisation of this structure is expected to contribute to increased policy relevance for the VET sector and to the ownership of relevant stakeholders. Also, Ukraine was selected in 2021 by the EQF Advisory Group as one of the pilot countries on a project to compare third countries' national and regional qualifications frameworks with the EQF. This pilot will contribute to further align EU and Ukrainian qualifications. Furthermore, in 2021 the Directorate of Digital Transformation in Education was established within the Ministry of Education and Science to support further efforts in the digitisation of education.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

▪ Political developments and health situation

On 24 August 2021, Ukraine marked its 30-year anniversary of statehood. Over these past three decades, the country's progress has been marked by instability and political turbulence, including two separate revolutions. In March and April 2021, Russia positioned military troops and equipment along the border with Ukraine and in the occupied Donbas and Crimea. At Ukraine's request, NATO held an emergency meeting of the Ukraine-NATO Commission, resulting in a formal statement of support for Ukraine's position with respect to the occupied territories.

In May 2021, Parliament replaced three ministers: those for healthcare, infrastructure and transportation, and the economy. The replacements were prompted by the President's dissatisfaction with the leadership of the three ministries.

Ukraine started its COVID-19 vaccination campaign in February with doctors and health staff the first to be vaccinated. Ukraine is lagging behind its neighbours in securing vaccines for its 41 million inhabitants, and asked EU Member States for support while refusing to buy the Sputnik V vaccine from Russia. The EU, WB, USAID and UNICEF are working jointly to ensure that Ukrainians will be vaccinated against COVID-19, *and by the end of 2021 it is expected that up to 20% of the population will be vaccinated.*

Restrictions adopted in response to the COVID-19 outbreak have been gradually lifted. On 2 June, Resolution #5831 introducing amendments to Resolution #12362 of 9 December 2020 on quarantine and other restrictive measures for preventing the further spread of COVID-19 in Ukraine was adopted. *According to the WHO, as per 27 July 2021, 2 249 344 COVID-19 cases and 52 876 confirmed deaths (WHO, July 2021).*

▪ Demographics

Ukraine's population is falling on an unparalleled scale and at an unparalleled rate compared with its neighbours. The country's population decreased from 50 million in 1999 to less than 44 million in 2020. According to the UN's World Population Prospects, the population will further decline by more than 15% by 2050 (UN, 2017). The proportion of its young population (aged 0 to 19) was 20.5% in 2020, the smallest among the Eastern Partnership countries.

The number of Ukrainian workers abroad is estimated at around 2.2 to 2.4 million persons, corresponding to 13-24% of its employed population. Ukrainian nationals mainly work in Czechia, Italy, Poland and Russia, and make up the largest group of temporary migrants in the European Union. On average, labour emigrants are less educated relative to the Ukrainian population. Many migrants end up in low-skilled jobs. Educational outflow is relatively small – with 72 000 outbound mobile tertiary students – but this figure is fast-growing, while the corresponding cohort of the population is declining (World Bank, 2019).

Western Ukraine has the highest volume of workers seeking employment opportunities in neighbouring EU Member States. Consequently, these regions have been especially hard hit by the COVID-19 pandemic, as infected workers have returned from Italy and other EU Member States.

- **Economic developments, informal economy, remittances**

The GDP declined by 4% in 2020 due to the decline in foreign demand combined with the impact of repeated lockdowns on domestic demand. However, improved macro-financial management helped Ukraine to maintain macroeconomic stability. According to the EBRD's latest Regional Economic Prospects report from June 2021, the Ukrainian economy is set to return to growth in 2021 (EBRD, June 2021). The GDP is forecast to increase by 3.5% both in 2021 and 2022. The two main risks to these forecasts are slow reform progress and the COVID-19 vaccination campaign.

Inflation has accelerated in 2021 due to the rising global food prices, reaching 9.5% year-on-year in May 2021. Remittances dropped in 2020, reflecting travel restrictions and labour market shocks in host countries. Mirroring the patterns seen in domestic activity and mobility in the first half of 2021, a rapid recovery in remittances has been seen, with a 7% increase between January and April 2021.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

- **Education expenditure, access, participation and early leaving**

With public spending on education at 6.0% of GDP and private spending adding another percentage point, Ukraine's spending on education is among the highest in the world. This is partly due to the requirements in the Law on Education to allocate at least 7% of GDP to education and the Law's commitment to quadruple the starting salary of teachers by 2023. However, such an increase would result in a rise in education spending from 6% to 8.8% of GDP by 2023, which would be worrying for Ukraine from a fiscal point of view (ETF, 2020).

Ukraine's educational attainment level is high. In 2020, only 2% of the active population had primary education or lower, 44.3% had secondary education and 53.7% had completed or were currently in tertiary education (VET accounts for 26.7% of this figure). In January 2019, 253 900 students (61.95% men and 38.05% women) were enrolled in VET schools under the Ministry of Education and Science (MoES), while the number of teaching staff was 33 900, including 14 800 senior masters and masters of vocational training. There are more than 3 000 unfilled vacancies for teaching staff in VET (ETF, 2019).

Ukraine has also become one of the top countries in terms of the proportion of the population that participates in higher education, a trend that accelerated rapidly after independence. One of the reasons is that, prior to the adoption of the new Law on Higher Education in 2014, colleges and vocational schools were associated with the higher education system as higher education institutions of first and second-level accreditation.

- **PISA results**

The Programme for International Student Assessment (PISA) was last conducted in 2018 with Ukraine joined for the first time. Students in Ukraine scored lower than the OECD average in reading, mathematics and science. Compared to the OECD average, a smaller proportion of students in Ukraine performed at the highest levels of proficiency (Level 5 or 6) in at least one subject; at the same time, a smaller proportion of students achieved a minimum level of proficiency (Level 2 or higher) in at least one subject. In Ukraine, girls scored similarly to boys in mathematics. Across OECD countries, boys outperformed girls by five score points. While girls slightly outperformed boys in science (by two score points) on average across OECD countries in PISA 2018, in Ukraine girls and boys performed similarly in science (OECD, 2018).

- **Young people not in employment nor education (NEETs)**

Although the youth unemployment rate (aged 15-24) decreased from 22.4% in 2015 to 17.9% in 2018, and even further to 15.4% in 2019, youth unemployment remains a problem. There is also a relatively high proportion of young people not in employment, education or training (NEETs). The NEET rate decreased from 17.2% in 2015 to 15.6% in 2019. The rate is higher for women than for men (19.9% and 11.5% respectively in 2018). The NEET rate further decreased by 0.1% from 15.6% in 2019 to 15.5% in 2020. The rate is higher for women than for men (18.4% and 12.7% respectively in 2020).

- **Education during the COVID-19 pandemic**

In March 2020 the Ukraine Government introduced temporary restrictive measures nationwide, including the closure of all educational facilities (OECD, July 2021). The Ministry of Education and Science (MoES) responded in a timely manner by instructing schools and mobilising available resources. The VET Directorate has provided general guidance on how to organise distance learning, while the regional VET Training Methodology Centres and VET schools have been responsible for advising and training teachers and developing of specific courses. During the pandemic, the ‘Schools, We Are Ready’ campaign and the ‘All-Ukrainian Online School’ platform have informed teachers, administrators, students and parents about the guidelines for safe and sustained learning in the 2020–21 school year.

COVID-19 is transforming the education system and has created an opportunity to acquire digital skills. However, there are challenges: inadequate internet access, especially in rural areas; lack of teachers’ online training skills; few official methodological guidelines and online textbooks; and low levels of motivation among students to participate in online sessions. Efforts are ongoing to continue to expand the number of schools with internet connectivity and access to digital devices and equipment to allow for greater use of blended learning approaches in schools going forward (World Bank, April 2021).

2.2 VET policy and institutional setting

▪ Strategic and legal framework for VET and adult learning

The Law on Education (2017) sets out the strategic framework for the implementation of reforms and endorses the concept of the New Ukrainian School. It establishes a new structure for the education system, including vocational education and training (VET). The Law gives an important role to the National Qualifications Framework (NQF), lifelong learning and education based on key competences. It introduces the National Qualifications System (NQS), sector qualifications frameworks and partial qualifications.

The NQF was adopted in 2011. In 2014, the Law on Higher Education legislated higher education qualifications according to the NQF. In 2016, a new roadmap for the implementation of the NQF was developed, and in 2017 the Law on Education regulated educational and professional qualifications and provided the basis for the National Agency for Qualifications (NQA), a collegial body supported by the Government and social partners established in 2019. In 2020, the levels in the NQF were updated from 10 to 8 levels, in line with the European Qualifications Framework (EQF).

The NQF register will need to be populated with standards and qualifications. New qualifications can facilitate the move to modular curricula and new forms of learning in which the focus is on active learning. There is a particular need to develop professional qualifications to support adult learning and learning outside the classroom. Qualification centres will need to be accredited to widen the scope and opportunities. These qualification centres can serve the needs of businesses to certificate their personnel, but special importance needs to be on people without qualifications. Digitisation and greening are gaining importance in addition to the other key competences that are central in the current reforms. Partial qualifications deserve more attention as they can be building blocks for lifelong learning and personalised pathways. In this sense, there is a need to consider the position of micro-credentials in the NQF and the NQF register. Career guidance and counselling and lifelong learning opportunities will need to be integrated into the new qualification system. COVID-19 has shown the importance of better online resources and more online provision that will need to be integrated. Moreover, international online provision is gaining importance for both learners and providers in

Ukraine. The self-certification of the NQF to the QF-EHEA and the comparison of the EQF offer an important opportunity to benchmark the NQF internationally (ETF, 2021).

In 2019, Ukraine adopted the strategic document ‘The Potential of Competences (Foundations of the State Standard)’ as part of the new education standards package. The framework guides the development of the state standard for each cycle of education beyond primary school (basic secondary, upper secondary profiled education, and VET-ISCED levels 2 and 3). Various guidelines are currently under development, including guidelines for educators on the key competences approach in the New Ukrainian School.

In the same year, the ‘Modern Vocational Education’ concept for the period up to 2027 was also adopted. The concept guides the implementation of the national policy on VET. Its objective is to conduct VET reforms in line with three priorities: decentralising the governance and financing of VET; implementing quality assurance; and developing public-private partnership in the field of VET (Ukrainian Government websites). A set of policy measures have already been proposed and will be implemented in three stages. The Government has entrusted responsibility for implementing VET reform to the Ministry of Education and Science (MoES), to regional authorities and to the city of Kyiv.

Continuing vocational training (CVT) as a form of adult learning within the formal education and training system is undergoing transformation and needs some clarity in the legal framework. In the area of adult learning, the draft Law on the Qualifications System regulates professional qualifications, the validation of non-formal and informal learning, the independent assessment by qualification centres and the development of sector qualifications frameworks. The expected adoption of the relevant Law on Adult Education, which is based on the framework Law on Education, will allow for the expansion of existing opportunities in the area.

- **VET governance and financing arrangements**

The 2020-2027 National VET Action Plan aims to implement the ‘Modern Vocational Education’ concept. The Action Plan sets out 29 actions to change the governance and financing of the VET system by transferring responsibilities for planning, financing and budgeting to the regions and VET institutions; redesign the content and quality management of VET through a new and simplified concept for the development of VET standards; and introduce an independent assessment system and a comprehensive training programme.

The Council for VET Development, a consultative body at national level, was established on 30 March 2021. It supplements the existing Regional VET Councils attached to the President. The proper institutionalisation of this structure is expected to contribute to increased policy relevance for the VET sector and to relevant stakeholders taking ownership. In view of the decentralisation process, it is important to ensure proper coordination between the national and regional levels.

Continued VET (CVET) is mostly implemented as postgraduate education in higher or vocational education institutions. An important obstacle to the integration of lifelong learning in the Ukrainian education system is that responsibilities for initial and further learning are divided among different ministries, which makes coordination and flexible pathways difficult.

The shift of VET funding to the local level has caused a number of problems because the regions are not prepared for the change. Although financial decentralisation has ensured an increase in local resources, local funds cover only about 60% of VET financial needs in the regions, according to the

MoES. For the future implementation of the VET Strategy, it is important that solutions to the funding gaps be found.

The situation within the VET system is exacerbated by its intricate structure (e.g. an extensive number of VET institution types and levels, as well as variety of support institutions, often with overlapping mandates) and a complicated political context. One example of the latter is the inability to adopt the new VET law for more than 3 years (ETF, April 2021).

- **Quality and quality assurance**

According to Article 435 of the Association Agreement, '[t]he Parties shall cooperate under Chapter 23 taking into consideration the provisions of the recommendations listed in Annex XLII', which includes the Recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning (2008/C 111/01).

The most important quality assurance principles are legislated in the Law on Higher Education (2014), the VNFIL regulations (2016) and the Law on Education (2017), and safeguarded by two new institutions: the National Agency for Higher Education Quality Assurance (NAQA) and the National Agency for Qualifications (NQA), both of which have been operational since 2019. The number of accredited higher education institutions is growing. Programme accreditation is implemented in higher education and planned in vocational education, by verifying that programmes are in line with state educational standards. In 2020, the [NQF levels were revised](#) to bring them into line with the EQF for lifelong learning. The [EU4Skills](#) project, which started in late 2019, is supporting the implementation of the NQF and the introduction of 100 new competency-based vocational qualifications, based on occupational standards.

The National Agency for Qualifications accredits qualification centres that deal with the independent assessment of professional qualifications, including the validation of non-formal and informal learning. Independent assessment should ensure that individuals meet the learning outcomes in the standards. This can help learning providers be more autonomous and set safeguards for assessment. Independent assessment based on qualification standards is in theory increasingly important within a decentralised education system where providers have more autonomy to adapt provision to local and learner needs. In practice it needs more attention for educational qualifications.

The NQF is key to implementing the competence-based education and training system in Ukraine, supported by the New Ukrainian School and Modern VET concepts. Comparison can potentially benefit many Ukrainians, as well as training providers and employers in the EU and Ukraine. Ukraine has a large number of migrants to the EU and a large number of platform workers working for the EU who may benefit from greater transparency of their qualifications. In 2021, Ukraine was selected by the EQF Advisory Group as one of the pilot countries in a project comparing third countries' national and regional qualification frameworks with the EQF. This pilot will contribute to further alignment of EU and Ukrainian qualifications.

Overcoming the legacy of the past is not easy, moving from a selective education system based on knowledge acquisition to a system focusing on skills development, away from academic subjects to integrated modules focused on the skills of learners. The new changes have not yet been applied across the whole qualification system, nor have they fully reached the end users. Reforms will need to include more stakeholders and institutions to take effect. In particular, teachers, university staff, trainers, assessors, methodologists, quality assurance experts and guidance counsellors will need to

be addressed. This will require more capacity building, experimentation and guidance, especially as the reforms coincide with more autonomy for providers (ETF, September 2021).

- **Work-based learning arrangements**

The concept of dual training adopted by the Cabinet of Ministers in September 2018 aims to combine work and learning in VET and higher education and to increase the youth employment rate. The implementation has three phases. The first phase addresses development of the legislative and regulatory framework (2018-2019); the second phase covers the design of typical dual training models and the delivery of pilot projects (2019-2020); and the third phase involves the creation of dual training clusters (2020-2023). The approval of the Regulations on Dual Vocational Education in December 2019 seeks to strengthen the labour market orientation of VET training and offer all VET students a combined VET training approach that incorporates theory and practice. The Action Plan for Dual Education, which was adopted in December 2019, provides for the creation of dual training clusters (2020-2023). In 2020, 262 VET providers had implemented elements of dual education for 190 profiles.

- **Digital education and skills**

Ukraine's new Ministry of Digital Transformation (MoDT) was established in 2019. In July 2020 the Chief Digital Transformation Officers (CDTOs) were appointed at the MoES; their key role is to drive the digital transformation in education. In 2021, the Directorate of Digital Transformation in Education (a team to support CDTOs' efforts in digitising education) was established within the MoE.

In partnership with UNDP, in 2019 the MoDT conducted research on digital skills, finding that 37.9% of the population (aged 18-70) had e-skills at a lower basic level and over 15.1% had no e-skills at all. This means that 53% of the population needs their digital skills to be upskilled or re-skilled. Since the MoDT was established, over 90 national projects in different areas have been launched, including e-skills initiatives such as the SELFIE initiative.

SELFIE is a free, customisable tool to help schools reflect on how they use digital technologies to support learning, enabling schools to get a picture of where they stand and to develop an action plan to enhance their digital capacity. The SELFIE pilot was launched in Ukraine in 2021 by the ETF and the EC's Joint Research Centre (JRC).

- **Donor support to education and VET for young people and adults**

The key donor support is provided through the 'EU4Skills: Better Skills for a Modern Ukraine' programme, with EUR 58 million from the EU, Finland, Germany and Poland. The funds are spent on modernising VET infrastructure, developing professional and educational standards, introducing new training programmes, retraining teachers and management staff, developing a multi-channel financing mechanism for vocational training, and providing access to VET institutions for people with disabilities.

A World Bank loan of USD 200 million, referred to as 'Ukraine Improving Higher Education for Results', will further boost the quality of the higher education sector, as well as its relevance to the labour market, including teaching and research facilities and digital learning infrastructure.

Ukraine has been a very active participant in the Tempus and Erasmus+ programmes, which have mainly benefitted higher education institutions but are gradually opening up for cooperation in VET and lifelong learning.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

▪ Labour market and employment challenges in general

Ukraine's labour market faces multiple challenges, including an ageing labour force, low internal labour mobility, high informal employment and various types of skills mismatch, particularly high levels of over-qualification. It is characterised by structural deficiencies, regional disparities and a low activity rate that has been decreasing in recent years. Ukraine has one of the most rapidly ageing populations in Europe. This trend exacerbates employment challenges by reducing the number of people in the labour force. In addition, Ukraine has experienced a recent increase in external labour migration, a third of which consists of young Ukrainians under 35. As a result, the diminishing pool of working-age people puts pressure on economic development and makes it difficult to sustain growth. State bodies are not willing to apply efficient protection mechanisms to tackle illegal employment and the fragmented nature of employment reforms affects the efficacy of legal regulations (ILO, 2020).

The disconnection between Ukraine's education sector and the needs of the labour market creates the wrong incentives for both students and educational institutions. However, many young Ukrainians appear to be increasingly over-educated relative to the types of jobs that are available in the labour market. Other risks to the development of the Ukrainian labour market are the increase in the migration of labour to other countries and the gradual loss of professional skills by those who cannot find jobs that correspond to their occupation and qualification level. Relative to the working-age population, migrants are less likely to have tertiary education, but more likely to have vocational education. Another important challenge is the growing trend of educational migration among young people (ETF, 2020).

▪ Employment

The activity rate rose from 62.4% in 2015 to 63.4% in 2019. The COVID-19 crisis changed this tendency, and in 2020 the activity rate decreased to 62.1% (68.5% for males and 56.3% for females). Activity rates for women in Ukraine have traditionally been lower than those for men. This is due to the longer overall duration of women's education, the fact that they manage household and childcare burdens, and the insufficient support provided to working mothers. The employment rate is also quite low but has increased slightly, from 56.7% in 2015 to 58.2% in 2019 (64.0% for males and 52.9% for females). In 2020, the employment rate decreased to 56.2%.

The restructuring of the economy has had implications for the distribution of employed people by economic sector. The share of agriculture and industry in total employment has decreased, while employment in the services sector has increased. In 2019, services accounted for the majority of the labour force (61.2%), followed by industry (25.1%) and agriculture (13.7%). However, the COVID-19 crisis changed this picture, with the share of agriculture in total employment increasing to 14.0%, while the share in industry decreased to 24.8% and the share in services remained the same. The self-employment rate is relatively low, increasing from 15.9% of all workers in 2015 to 16.3% in 2019, and increased in 2020 to 16.4%.

Informal employment is estimated to account for 21% of total employment. The majority of informal workers are men (60%). The most common sectors for informal employment include agriculture,

forestry and fisheries. These sectors have been hit hard during the COVID-19 crisis, leaving unprotected workers at great health and economic risk. This level of informality represents an obstacle to productivity growth, with the low cost and high flexibility of labour hindering incentives to invest in human capital and business innovation (ETF, October 2021).

▪ **Unemployment**

The overall unemployment rate decreased from 9.1% in 2015 to 8.8% in 2018 and 8.2% in 2019, before increasing to 9.5% in 2020. The COVID-19 crisis has severely affected the labour market, hurting young people more than other age groups. The youth unemployment rate (aged 15-24) decreased from 22.4% in 2015 to 15.4% in 2019, but increased in 2020 to 19.3%. Employment losses among young people translated mostly into an increase in inactivity in 2020. Therefore, the unemployment rate provides only a partial insight into the impact of the COVID-19 crisis on young people, confirming the need for broader monitoring of labour market outcomes for youth, including labour underutilisation and quality of employment. The effects of the pandemic on employment have affected women more than men, a situation also observed in other countries as social distancing measures have had a large impact on sectors with a higher proportion of female employees. Additionally, closures of schools and day-care centres significantly increased childcare needs, which had a particularly large impact on working mothers. Large gender differences in unpaid care work also stem from the fact that most single parents are women (nearly 90% in Ukraine). According to UN Women and other expert sources, with the COVID-19 crisis women are likely to experience long-term setbacks in workforce participation and income, with consequences on their economic security in the long run (OECD, 2021).

▪ **Statistical data collection and labour market information**

The State Employment Service (SES) collects, processes, presents and disseminates administrative data on workforce demand and supply in the labour market. It also analyses supply and demand indicators, submits predictions to the Ministry of Economic Development, Trade and Agriculture (MoEDTA) on the development of the labour market, and helps to develop and implement the state's medium-term employment policy and regional employment programmes. The Labour Market Information System (LMIS) provides easy-to-use tools and methodologies to collect and analyse labour-market information for the purpose of both strategic and operational planning of the country's regional VET systems. The LMIS generates labour-market trends to produce a 1-to-3-year forecast of labour-market needs by occupation and skill level. LMIS methodologies and tools, such as model-based statistical and economic analyses, graduate tracer studies and employers' surveys, have been introduced in 2021. The NQA currently receives assistance from the EU4Skills project to feed information from the LMIS into the further development of occupational standards. Furthermore, the State Statistics Service runs the labour force surveys (LFS) and survey of establishments.

▪ **Poverty**

The quarantine measures imposed in 2020 have worsened the economic and social situation. The greatest impact has fallen on low-wage workers, women, youth and vulnerable groups, as well as on small and medium-sized enterprises (SMEs) and the informal sector. As a result of the economic downturn, poverty increased significantly in 2020. The national poverty rate rose in 2020 to 45%, with more than 18 million Ukrainians living below the poverty line, which is a 17% increase in the total number of Ukrainians in poverty (KyivPost, 18 September 2020).

3.2 Employment policy and institutional setting

▪ Strategy and legal framework in the employment policy field

Under the EU-Ukraine Association Agreement, Ukraine is committed to respecting core ILO standards, other ILO conventions that it has ratified, and relevant EU laws. The Government that came into force in September 2019 announced its 5-year plan to boost GDP growth and create over 1 million new jobs. Reforms of industrial and labour relations play an important role in meeting this target.

Responsibility for employment and labour policies was transferred from the Ministry of Social Policy to the Ministry of Economic Development, Trade and Agriculture (MoETA) in March 2020, including responsibility over the State Employment Service. The Ministry of Social Policy is organised into five directorates (Social Insurance Development and Pensions Provision; Targeted Social Support of the Population and Development of Social Inspection; Development of Social Services and Protection of Children's Rights; Protection of the Rights of Persons with Disability; Strategic Planning, Policy Coordination and Euro-integration). Additionally, the State Social Service was established in August 2020 as new model of cooperation between executive authorities and local governments.

The draft law 'On Amendments to legislative acts on the reform of the Employment Service, social insurance in case of unemployment, promotion of productive employment, including youth, and the introduction of new active programmes in the labour market' is currently before the Ukrainian Parliament (Verkhovna Rada) and it is not yet clear when it will be adopted. The draft law will focus on fostering job creation (including among youth), combatting unemployment and supporting business creation (6th Cluster meeting report, October 2021).

Social dialogue, which is governed by the 2010 Law on Social Dialogue, faces difficulties in ensuring tripartite consensus on policy decisions in the social and economic sector, because the National Tripartite Social and Economic Council has suspended its activity (ILO, June 2020). The draft Law on Trade Unions was submitted in December 2019, together with other pieces of draft labour legislation, and further parliamentary proceedings are ongoing.

The Labour Code of 1971 is currently the main legal act that governs employment relations for all workers in Ukraine. The code is outdated and overly rigid by international standards. Since 2013, work has been underway on a new Labour Code to reform the country's entire labour relations system. The drafting process, however, has generated controversy and debate among some groups in society. In March 2020, the draft law was withdrawn from Parliament after the resignation of the Prime Minister and the Government is now at work on resubmitting the draft. The EU is following the case closely as it poses an opportunity to advance Ukraine's approximation to EU standards (on labour, occupational health and safety, and equal opportunities) and to make Ukraine's labour legislation fit for a modern, social market economy. Ahead of the EU-Ukraine Summit of 12 October 2021, the EU was alerted by European and international trade unions to concerns about ongoing labour legislation reforms in Ukraine. They point to the analysis of draft laws conducted by ILO experts working on technical assistance projects and are concerned that Ukraine is not taking into account their recommendations, nor those of trade unions.

▪ Initiatives to boost employment

According to a survey conducted by the European Business Association, 33% of SMEs have reported a 50-75% loss of revenue because of the nationwide lockdown, and only 14% of SMEs have experienced no change in their daily operations. More than 50% of entrepreneurs responded that it

would take up to 2 years for their business to recover from the economic impact of COVID-19, on the precondition that they have customer demand and access to financial support (ILO, May 2020).

The 'high-touch' businesses such as retail, tourism, hospitality, and hairdressing and beauty salons have been the most affected by the pandemic. In these industries, women are over-represented as entrepreneurs and employees. In response to the challenges posed by the pandemic and the economic crisis, the Ukrainian Government's Economic Stimulus Programme introduces short- and medium-term measures targeted at priority sectors of Ukraine's economy from 2020 to 2022. The financing of the measures will come from the state budget and funds attracted through international technical assistance, including from the EU.

Ukraine is implementing a major reform of the youth sector, and the draft of the new Youth Law was passed in July 2020, containing the conditions to reform Ukraine's youth policy. The law includes recognition of youth workers, development of a three-level youth centre system, and the establishment of the Ukrainian Youth Fund responsible for supporting youth projects and NGOs. Given the challenges posed by the COVID-19 pandemic, the updated Pact for Youth – 2025 sets out new objectives and priorities that will focus on promoting career mentoring for young people by employers. The new Pact for Youth – 2025 is signed by the Ministry of Youth and Sports, the Ministry of Economic Development, Trade and Agriculture, the Ministry of Education and Science, and more than 20 public and private partners.

- **Initiatives to increase the capacity of the public employment services**

Under the new distribution of ministerial responsibilities that came into force in March 2020, the Ministry of Economic Development, Trade and Agriculture (MoEDTA) has assumed greater responsibility by taking over the State Employment Service (SES) and taking charge of lifelong learning as a core element of a modernised VET system. The SES's penetration in the unemployment market is less than 21%, which is similar to the situation across Europe (ILO, 2020).

The current reforms seek to achieve more client-oriented approaches, a diversification of services related to active labour-market programmes and support for self-employment, and a stronger role for the SES in the provision of labour-market information, including the capacity for labour-market forecasting. New services for jobseekers have been introduced, such as career advisors, and services for employers have been improved, including employers' consultants, e-services and more.

In general, there is a need to improve the reputation of the SES and show that it can actually help jobseekers find a job. To this end, it is important to build formal partnerships with employers and civil society. Strong collaboration at local level should bear good results in terms of service delivery and improved reputation.

A number of measures have been introduced to reduce the impact of the COVID-19 pandemic, particularly for the social protection of people who have lost their jobs. The measures include simplified procedures for claiming unemployment status and receiving unemployment benefits, exemptions from contributions, and pension increases. The SES has introduced online registration for its clients and unemployment benefits have increased.

- **Donor support to the employment policy field**

On 17 December 2020, the Co-Chairs of the National Tripartite Socio-Economic Council and the Regional Director of the ILO Regional Office for Europe and Central Asia signed a Memorandum of Understanding on the Implementation of the Decent Work Country Programme for Ukraine for the

period 2020-2024. Improved social dialogue, inclusive and productive employment, improved working conditions and social protection are identified as priority areas of the Programme. Other key active donors in the employment field include the EU, GIZ, Swiss Development Cooperation and DANIDA.

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STATISTICAL ANNEX, REFERENCES, ACRONYMS-UKRAINE

Annex includes annual data from 2010, 2015, 2019 and 2020 or the last available year.

	Indicator	2010	2015	2019	2020	
1	Total population ('000) ⁽¹⁾	45,870.7	45,154.0	44,386.2	44,134.7	
2	Relative size of youth population (age group 15–24 and age in the denominator 15–64, %) ^{(1) (2)}	19.8	15.8	14.1	14.1	
3	GDP growth rate (%)	3.8	-9.8	3.2	-4.0	
4	GDP by sector (%)	Agriculture added value	7.4	12.1	9.0	9.3
		Industry added value	25.9	21.7	22.6	20.9
		Services added value	55.1	51.2	54.4	55.6
5	Public expenditure on education (as % of GDP)	6.2 (2011)	5.0 (2016)	5.4 (2017)	M.D.	
6	Public expenditure on education (as % of total public expenditure)	13.5 (2011)	12.4 (2016)	13.1 (2017)	M.D.	
7	Adult literacy (%)	M.D.	100.0 ^e (2012)	M.D.	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%) ^{(3) (4) (5)}	Low	7.8	2.1	2.2	2.0
		Medium	44.9	45.5	44.2	44.3
		High	47.3	52.4	53.6	53.7
9	Early leavers from education and training (aged 18–24) (%)	Total	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	80.1	92.9 (2014)	M.D.	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	28.6	29.4	28.6	M.D.	
12	Tertiary education attainment (aged 30–34) (%)	M.D.	M.D.	M.D.	M.D.	
13	Participation in training/lifelong learning (age group 25–64) by sex (%) ⁽³⁾	Total	M.D.	0.8	0.7	0.5
		Male	M.D.	0.7	0.7	0.5
		Female	M.D.	0.9	0.7	0.4
14	Reading	N.A.	N.A.	N.A.	N.A.	

	Indicator		2010	2015	2019	2020
	Low achievement in reading, mathematics and science – PISA (%)	Mathematics	N.A.	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.	N.A.
15	Activity rate (aged 15+) (%) ^{(3) (5)}	Total	63.7	62.4	63.4	62.1
		Male	69.6	69.2	69.9	68.5
		Female	58.4	56.2	57.5	56.3
16	Inactivity rate (aged 15+) (%) ^{(3) (5)}	Total	36.3	37.6	36.6	37.9
		Male	30.4	30.8	30.1	31.5
		Female	41.6	43.8	42.5	43.7
17	Employment rate (aged 15+) (%) ^{(3) (5)}	Total	58.5	56.7	58.2	56.2
		Male	63.1	62.2	64.0	61.8
		Female	54.4	51.7	52.9	51.2
18	Employment rate by educational attainment (% aged 15+) ^{(3) (4) (5) (6)}	Low	33.6	16.7	17.8	15.6
		Medium	56.2	52.5	54.4	52.3
		High	69.6	67.5	67.7	66.2
19	Employment by sector (%) ^{(3) (5)}	Agriculture	20.2	15.3	13.7	14.0
		Industry	25.5	24.7	25.1	24.8
		Services	53.6	60.0	61.2	61.2
20	Incidence of self-employment (%) ^{(3) (5)}		18.9	15.9	16.3	16.4
21	Incidence of vulnerable employment (%) ^{(3) (5)}		17.9	14.7	15.0	15.0
22	Unemployment rate (aged 15+)(%) ^{(3) (5)}	Total	8.1	9.1	8.2	9.5
		Male	9.3	10.1	8.5	9.9
		Female	6.8	8.1	7.9	9.1
23	Unemployment rate by educational attainment (aged 15+) (%) ^{(3) (4) (5)}	Low	7.5	12.1	13.9	15.9
		Medium	9.1	10.0	9.3	11.0
		High	7.3	8.2	7.1	8.0
24	Long-term unemployment rate (aged 15+) (%) ⁽³⁾		1.9	2.1	M.D.	M.D.
25	Youth unemployment rate (aged 15–24) (%) ⁽³⁾	Total	17.4	22.4	15.4	19.3
		Male	17.8	22.7	15.5	19.9
		Female	16.7	21.9	15.3	18.5
26	Total		17.6	17.2	15.6	15.5

Indicator		2010	2015	2019	2020
Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ^{(3) (7)}	Male	15.2	14.6	11.5	12.7
	Female	20.2	19.8	19.9	18.4

Last update: September 2021

Sources:

Indicators 8, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – State Statistical Service of Ukraine

Indicators 5, 6, 7, 10, 11 – UNESCO, Institute for Statistics

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Notes:

(1) The values shown are mid-year estimates

(2) ETF calculations

(3) (2015-2020 Data without the population of Autonomous Republic of Crimea and Sevastopol and part of the conflict zone, (2010-2014) Data without the population of Autonomous Republic of Crimea and Sevastopol.

(4) LOW: General basic, primary and lower; MEDIUM: General secondary, professional–technical; HIGH: incomplete tertiary, (basic and full) tertiary

(5) Age range 15–70

(6) 2010–2015: ETF calculations on Ukrstat data

(7) Participation in education in the week prior to the survey is considered.

Legend:

N.A. = Not Applicable

M.D. = Missing Data

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	Educational attainment of adult population (25–64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18–24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25–64) (%)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group.

	Description	Definition
		<p>Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15–24 by the total population of the same age group.

	Description	Definition
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

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LIST OF ACRONYMS

GDP	Gross domestic product
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
MoES	Ministry of Education and Science
MoEDTA	Ministry of Economic Development, Trade and Agriculture
NEET	Not in education, employment or training
NQA	National Agency for Qualifications
NQF	National Qualifications Framework
NQS	National Qualifications System
PISA	Programme for International Student Assessment
SES	State Employment Service
USD	US dollar
VET	Vocational education and training

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